WITZENBERG

Municipality • Munisipaliteit • U Masipala Wasa

FINANCIAL STATEMENTS

as at

30 June 2009

VISION

A united, integrated, prosperous municipality, progressively free of poverty and dependency

(Un-audited 26/08/2009)

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GENERAL INFORMATION

MEMBERS OF THE WITZENBERG COUNCIL

Clr D Adams	Clr SM Joubert	Clr RE September
Clr J Booysen	Clr JNED Klazen	Clr MN Sifile
Clr JC Botha	Clr S Louw	Clr PX Swangaza
Clr MC du Toit	Clr ZG Mdala	Clr JFR Torr
Clr MM Geldenhuys	Clr A Muller	Clr JJ Visagie
Clr C Jacobs	Clr JF Nel	Clr S Warie
Clr E Jooste	Clr K Robyn	Vacant position

SPEAKER: Clr JNED Klazen

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE

EXECUTIVE MAYOR:	Vacant	Acting: Clr ZG Mdala
DEPUTY MAYOR:	Clr ZG Mdala	
OTHER MEMBERS:	Clr S Louw	
	Clr K Robyn	
	Clr JJ Visagie	

TOP MANAGEMENT

MUNICIPAL MANAGER:	Mr D Nasson	
DIRECTOR: COMMUNITY SERVICES	Mr DM Jacobs	
DIRECTOR: CORPORATE SERVICES	Vacant	Acting: Mr MG Mpuleza
DIRECTOR: FINANCIAL SERVICES	Mr PR Esau	
DIRECTOR: TECHNICAL SERVICES	Mr H Kröhn	

ADDITIONAL INFORMATION

GRADING OF LOCAL AUTHORITY		AUDITORS	BANKERS
Councillor grading:	3	Auditor-General	ABSA
TASK grading	3		
Old grading:	7		

REGISTERED OFFICE

Municipality	P O Box 44	Telephone:	023-3161854
Voortrekker Street 50	CERES	Telefax:	023-3161877
CERES	6835	e-mail:	admin@witzenberg.gov.za

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 10 to 27, in terms of section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councilors as disclosed in note 15 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of the Public Officer Bearers Act and the Minister of Provincial and Local Governments determination in accordance with this Act.

D Nasson _____ Date: 27/08/09

Municipal Manager
(Accounting Officer)

EXECUTIVE MAYOR'S FOREWORD

Section 122 of The Municipal Finance Management Act speaks to municipalities on the preparation of its financial statements, which should fully reflect the financial status of each municipality, and should include specifically the following elements, namely: the management of revenue, the expenditure, the assets and liabilities, business activities, its financial results, as well as its financial position as at the end of the financial year.

As Acting Executive Mayor, alongside the Mayoral Committee, it is acknowledged that the Municipal Manager, in conjunction with the senior officials of the finance department, are to be commended for carrying out the Leadership's mandate.

In the latter part of 2007, our administration faced many challenges due to vacant posts in senior management. Proudly, we have addressed those challenges and have appointed a Municipal Manager and three of the four Directors, which includes the position of Chief Financial Officer. The remaining position of Director: Corporate Services will be filled soon.

Witzenberg's short-term vision is to change the profile of the municipality from a "project consolidate municipality" to a self-sufficient, debt free and financially sustainable organization. I have the confidence in our current administration to do so, in particular through the expertise of our financial team under the leadership of the CFO. It must be noted that for the first time since amalgamation, the acid test ratio started to show a positive movement, indicating that our current assets can cover our current liabilities.

In order to embrace the Municipality's vision, which is: "A united, integrated, prosperous municipality, progressively free of poverty and dependency", the following Debt recovery strategy has been launched, inter alia:

1. Starting internally, to concentrate on the debt of Councilors, Employees, Government Departments, and Schools.

2. Capacitated the Income section, which has been completed, and the processes have been streamlined since March 2008.

3. A data cleansing exercise, where an external service provider has been appointed, with the deadline for completion set for the end of September 2009.

4. The appointment of an external service provider for collections older than 90 days.

The results of all these interventions will be closely monitored, as the result of this will amount to major strides toward realizing the Witzenberg vision.

I would like to express my heartfelt appreciation to our late Mayor, Clr Kevin Klaasen, for having pioneered the process. I also wish to convey my appreciation to the Speaker of Council, all the Mayoral Committee Members, as well as to all Councilors for their valuable input.

To the Municipal Manager, the CFO and his staff, I salute you for your dedication and commitment to ensure that we achieve our goals. Thank you for helping us to invest in the lives of our people.

COUNCILOR ZOLA MDALA
Acting EXECUTIVE MAYOR

ACCOUNTING POLICIES

1. Basis of presentation

1.1 These financial statements have been prepared in order to conform to the standards prescribed by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition – January 1996) as well as certain reforms concerning Statutory funds, reserves and capital receipts to comply with the MFMA Circular no 18 of National Treasury regarding New Accounting standards and format of Annual Financial Statements.

1.2 The financial statements are prepared on the historical cost basis.

1.3 The financial statements are prepared on the accrual basis as stated:

2. Consolidation

The financial statements include the Rate and General services, Housing services, Trading services and the different funds and reserves. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity, water and vehicle costing, which are treated as income and expenditure in the respective departments.

3. Fixed assets

3.1 Fixed assets are stated:
At historical cost, or
At valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use.

3.2 All net proceeds from the sale of assets are credited to the Asset Financing Fund.

3.3 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

4. Inventory

Inventory is valued at average cost. Unsold erven are represented at the value set by Council as selling price.

5. Funds and Reserves

5.1 **STATUTORY FUNDS, RESERVES AND CAPITAL RECEIPTS**

The municipality creates and maintains Statutory Funds, Reserves and Capital Receipts in terms of specific requirements.

5.1.1 **Asset Financing Fund**

In order to finance the future purchase of items of property, plant and equipment amounts are transferred out of the net surplus for a period into the Asset Financing Fund (AFF). These transfers from the net surplus may only be made if backed by specific assets or liabilities and if they were appropriately budgeted for in the operating budget.
The following provisions are set for the creation and utilisation of the AFF:

- The cash which backs up the AFF is invested until it is utilised. The cash may only be invested in
- Interest earned on investments is recorded as interest earned in the notes to the Income Statement.
- The AFF may only be utilised for the purpose of purchasing items of property, plant and equipment
- If a profit is made on the sale of assets the profit on these assets sold is reflected in the income

5.1.2 **Housing Development Fund**

Section 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund.
The Housing Act also requires in terms of Section 14(4)(d)(ii)(aa) read with, *inter alia,* Section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the Municipality for housing development in accordance with the National Housing Policy.
The following provisions are set for the creation and utilisation of the Housing Fund:

- The Housing Fund is represent by specific assets or liabilities. When the fund has cash it is invested
- The fund may be utilised for housing developments in accordance with the national housing policy
- Any contributions to or from the fund are shown as transfers.

5.1.3 **Unutilised Capital Receipts.**

Unutilised capital receipts are reflected on the Balance Sheet as a creditor. They represent unspent government grants, subsidies and contributions from the public.
The following provisions are set for the creation and utilisation of this creditor:

- Where possible, the cash which backs up the creditor is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- Interest earned on the investment is recorded as interest earned in the notes to the Income Statement and is then transferred via the income statement to the creditor. This will be in accordance with council policy and in line with the donor stipulations.

5.2 **TRUST FUNDS**

Trust funds reflected on the balance sheet represent funds held by the municipality on behalf of or for the benefit of third parties outside of the municipality and are governed by the following rules:

- Each trust is evidenced by a legal trust document.
- The municipality is a trustee of the trust.
- The municipality is represented as a trustee of the trust through its officials or councilors, who have

5.3 **PROVISIONS**

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

5.3.1 **Post Retirement Benefits**

(i) **Pensions/Retirement Funds**

The Council and its employees contribute to various Pension Funds and its councilors contribute to the Pension Fund for Municipal Councilors. Both provide retirement benefits to such employees and councilors.

The retirement benefits are calculated in accordance with the rules of the funds. Internal valuations by the funds are performed on a regular basis.

Current contributions are charged against the operating account of the Council at a percentage of the basic salary paid to employees, or allowances in the case of councilors.

5.3.2 **Accrued Leave Pay**

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the potential cash liability and is annually reviewed.

5.3.3 **Provision for doubtful debts**

Accounts Receivable consist of amounts owed to the municipality by ratepayers and consumers. A provision for doubtful debts is established for reporting purposes based on past experience in the collection of accounts receivable and analysis of outstanding balances. The provision is based on all accounts older than 90 days.

6. Surpluses and Deficits

Any surpluses or deficits arising from the operation of the electricity and water services are transferred to Rate and General Services.

7. Treatment of administration and other overhead expenses

The costs of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

8. Leased assets

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective

interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.

All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

9. Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested per Circular C/46/1994 issued by the Provincial Legislature.

10. Deferred charges

The balance outstanding of the costs incurred in raising loans on the capital market, are recovered from operating income over the period of the various loans involved.

11. Income recognition

11.1 **Electricity and water billings**
All meters are read and billed monthly.

11.2 **Assessment Rates**
The Council applies a differential rating system. In terms of this system the assessment rates are levied on the land value of property and improvements on the same tariff.

TREASURER'S REPORT

INTRODUCTION

The Financial Statements were compiled to comply with IMFO's standards and council policy. This report has the purpose to highlight certain important issues.

1. OPERATING RESULTS

Details of the operating results per departement, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2008 are as follows:

INCOME	Actual 2008	Actual 2009	Variance 2008 - 2009	Budget 2009	Variance Actual/ Budget
	R	R	%	R	%
Opening surplus	9 591 965	5 661 775	(41.0)	4 531 320	20.0
Operating income for the year	164 061 069	187 376 223	14.2	199 701 659	(6.2)
Closing deficit	-	-		-	
	173 653 034	193 037 998		204 232 979	
EXPENDITURE					
Opening deficit	-	-		-	
Operating expenditure for the year	167 020 246	188 324 118	12.8	198 571 204	(5.2)
Sundry Transfers	971 013	241 904	(75.1)		
Closing surplus	5 661 775	4 471 976	(21.0)		
	173 653 034	193 037 998		198 571 204	

1.1. Rates and General Services

INCOME & EXPENDITURE	Actual 2008	Actual 2009	Variance 2008 - 2009	Budget 2009	Variance Actual/ Budget
	R	R	%	R	%
Income	81 326 663	91 795 999	12.9	95 461 572	(3.8)
Expenditure	102 110 117	112 616 976	(10.3)	118 022 120	(4.6)
Surplus / (Deficit)	(20 783 454)	(20 820 977)	(0.2)	(22 560 548)	7.7
Surplus / (Deficit) as % of total income	(12.7)	(11.1)		(38.70)	

1.2. Trading Services

INCOME & EXPENDITURE	Actual 2008	Actual 2009	Variance 2008 - 2009	Budget 2009	Variance Actual/ Budget
	R	R	%	R	%
Income	81 230 814	94 849 196	16.8	103 538 685	(8.4)
Expenditure	63 446 397	74 269 246	17.1	78 795 890	5.7
Surplus / (Deficit)	17 784 417	20 579 950	15.7	24 742 795	(16.8)
Surplus / (Deficit) as % of total income	10.8	11.0		42.44	

2. CAPITAL EXPENDITURE AND FUNDING

The expenditure on fixed asset outlay amounted R 60042732 - 74.08 % more than the previous year. The variance in budget as opposed to the actual expenditure were due to the following departments:

Department	Amount overspend	%
Sewerage	R 2 924 073	-34.33%
Roads	R 1 412 941	-29.26%
Storm water management	R 959 153	-35.26%
Property services: Administration	R 897 703	-68.01%
Water	R 846 140	-44.23%

The resources to finance the fixed assets are as follow:

	2008 Actual	2009 Actual	2009 Budget
External loans	1 735 969	7 861 759	13 008 431
Contributions from:			
- Income	-	-	-
- Grants and subsidies	22 430 843	52 052 215	61 557 589
- Reserves	74 964	-	800 000
- Public		128 758	200 000
	24 241 776	59 913 974	75 566 020

A complete analysis of capital expenditure (budgeted and actual) per department, classification or service is reflected in appendix C. More details regarding external loans and internal advances utilised to finance fixed assets are reflected in appendix B.

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2009 amounted to R 73760703 (R 65733199 in 2008) as detailed in appendix B. During the year external loans amounting to R 18097488 was raised and R 10044401 was repaid.
The net investments and cash at 30 June 2009 amounted to a positive amount of R 32572592. (R 23239869 positive in 2008).
More information regarding loans and investments are disclosed in notes (4 and 7) and appendix B as annexure to the financial statements.

4. FUNDS AND RESERVES

The Council adopt a policy to comply with general recognized accounting practices and implimented a part of it. All funds and reserves are represented in cash, investments and assets.
More information regarding funds and reserves are disclosed in the notes (1 to 3) and appendix A as contained in the financial statements.

5. POST BALANCE SHEET DATE EVENTS

None

EXPRESSION OF APPRECIATION

I am grateful to the Council, the Municipal Manager, members of management for their support and understanding. Appreciation is also expressed to the staff of the Financial services for their assistance and support during the preparation of the financial statements.

PR Esau
Chief Financial Officer

27th August 2009

BALANCE SHEET AT 30 JUNE 2009

	Note	2 009 R	2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		11 207 041	7 111 020
Statutory funds	1	11 207 041	7 111 020
Reserves	2	-	-
ACCUMULATED (DEFICIT)/RETAINED INCOME	18	4 471 976	5 661 775
		15 679 017	12 772 795
TRUST FUNDS	3	-	-
LONG-TERM LIABILITIES	4	66 136 337	56 428 358
CONSUMER DEPOSITS: SERVICES	5	1 488 606	1 416 352
		83 303 960	**70 617 505**
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	69 160 876	71 395 172
INVESTMENTS	7	-	3 464 532
LONG-TERM DEBTORS	8	484 001	515 393
DEFERRED CHARGES	11	-	-
		69 644 877	75 375 097
NET CURRENT ASSETS/(LIABILITIES)		13 659 083	-4 757 592
CURRENT ASSETS		57 996 003	45 152 349
Inventory	9	4 527 401	3 184 715
Debtors	10	20 772 667	16 831 214
Cash		29 166	12 035
Short-term investments	7	32 543 426	24 977 482
Short-term portion of long-term debtors	8	123 343	146 903
CURRENT LIABILITIES		-44 336 920	-49 909 941
Provisions	12	7 773 335	7 471 241
Creditors	13	28 939 219	27 919 679
Short-term portion of long-term liabilities	4	7 624 366	9 304 841
Bank overdraft		-	5 214 180
		83 303 960	**70 617 505**

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual income R	2008 Actual expenditure R	2008 Surplus / deficit R		2009 Actual income R	2009 Actual expenditure R	2009 Surplus / (deficit) R	2009 Budget Surplus (deficit) R
81 326 663	102 110 117	-20 783 454	**RATES AND GENERAL SERVICES**	91 795 999	112 616 976	-20 820 977	22 560 548
48 002 152	69 753 139	-21 750 987	Community services	55 393 572	75 731 492	-20 337 920	22 124 961
488 519	4 970 636	-4 482 117	Subsidised services	650 429	5 738 632	-5 088 203	5 284 178
32 835 992	27 386 342	5 449 650	Economic services	35 751 998	31 146 852	4 605 146	-4 848 591
1 503 592	1 463 732	39 860	**HOUSING SERVICES**	731 028	1 437 896	-706 868	1 051 792
81 230 814	63 446 397	17 784 417	**TRADING SERVICES**	94 849 196	74 269 246	20 579 950	-24 742 795
164 061 069	167 020 246	-2 959 177	**TOTAL**	187 376 223	188 324 118	-947 895	-1 130 455
		-971 013	Appropriations for the year (refer to note 18)			-241 904	
		-3 930 190	**Net surplus / (deficit) for the year**			-1 189 799	
		9 591 965	Accumulated surplus / (deficit): beginning of the year			5 661 775	
		5 661 775	**ACCUMULATED SURPLUS / (DEFICIT): END OF THE YEAR**			4 471 976	

(Refer to appendices D and E for more details)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
CASH RETAINED FROM OPERATING ACTIVITIES		61 347 952	45 085 151
Cash generated by operations	19	28 422 112	30 995 877
Investment income		870 688	2 090 801
(Increase) / decrease in working capital	20	(9 547 869)	(8 214 371)
		19 744 931	24 872 307
Less: External interest paid		(10 577 952)	(10 484 155)
Cash available from operations		9 166 979	14 388 152
Cash contributions from the public and the State		52 180 973	30 696 999
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets		(60 042 733)	(34 491 041)
Corrections and disposals in fixed assets		-	9 018
NET CASH FLOW		1 305 219	10 603 128
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase / (decrease) in long-term loans	21	8 027 504	(9 858 162)
Increase / (decrease) in short-term loans	22	-	-
(Increase) /decrease in cash investments	23	(4 101 412)	(1 540 628)
(Increase) / decrease in cash	24	(5 231 311)	795 662
		(1 305 219)	(10 603 128)

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2009 R	2008 R
1. STATUTORY FUNDS		
Asset Financing	8 318 870	3 836 451
Housing development Fund	2 888 171	3 274 569
	11 207 041	7 111 020
The Asset Financing Fund is represented by the following assets and liabilities:		
Investments (See note 7)	8 318 870	2 936 976
Bank and cash	-	899 475
	8 318 870	3 836 451
The Housing Development Fund is represented by the following assets and liabilities:		
Long-term Debtors (See note 8)	3 306 411	3 330 225
Housing Rental Debtors (Included in note 10)	1 989 231	2 207 290
Bank and cash	-2 407 471	-2 262 946
	2 888 171	3 274 569
2. RESERVES		
	-	-
	-	-
3. TRUST FUND		
	-	-
	-	-
(Refer to Appendix A for more details)		
4. LONG TERM LIABILITIES		
Local registered stock	-	-
Annuity loans	73 760 703	65 733 199
Short term loans	-	-
Lease commitments	-	-
	73 760 703	65 733 199
Less: Current portion transferred to		
Current liabilities	7 624 366	9 304 841
Local registered stock	-	-
Short-term loans	-	-
Annuity loans	7 624 366	9 304 841
	66 136 337	56 428 358

(Refer to Appendix B for more details on long-term liabilities)

GOVERNMENT LOANS
None.

ANNUITY LOANS
Carry interest at rates varying between 9.38% and 18.49% per annum and will be fully redeemed in 2023.

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2009 R	2008 R
5. CONSUMER DEPOSITS - SERVICES		
Electricity and water	1 488 606	1 416 352
Guarantees in lieu of electricity and water deposits	-	-
6. FIXED ASSETS		
Fixed assets at the beginning of the year	304 764 528	270 282 505
Capital expenditure during the year	60 042 732	34 491 041
Less: Assets written off, transferred or disposed of during the year	-	9 018
Total fixed assets	364 807 260	304 764 528
Less: Loans redeemed and other capital receipts	-295 646 384	-233 369 356
Net fixed assets	69 160 876	71 395 172

(Refer to Appendix C and Section 2 of the Treasurer's report for more details on fixed assets)

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2009 R	2008 R
7. INVESTMENTS		
Listed	-	-
Unlisted	32 543 426	28 442 014
Long-term investments:	-	3 464 532
Ned bank - Koekedouw dam loan	-	3 464 532
Asset Financing Fund	-	-
Other	-	-
Short-term investments:	32 543 426	24 977 482
Asset Financing Fund	8 318 870	2 936 976
Housing development fund	-	-
Unutilized Grants & Subsidies	19 377 427	15 714 689
Other	4 847 129	6 325 817
Total investments	32 543 426	28 442 014
Market value of listed investments and management's valuation of unlisted investments		
Listed investments	-	-
Unlisted investments	32 543 426	28 442 014
Average rate of return on investments (gross)	8.46%	13.04%

The short-term investments are valued at book value.

8. LONG-TERM DEBTORS		
Housing loans	3 306 411	3 330 225
Sport Clubs Loans	120 031	149 476
Town Development	31 310	33 003
	3 457 752	3 512 704
Less: Short-term portion of long-term debtors transferred to current assets	-123 343	-146 903
Impairment of long-term debtors	-2 850 408	-2 850 408
	484 001	515 393
9. INVENTORY		
Inventory represents consumable stores, raw materials, work-in-progress and finished goods. Where necessary specific provision is made for obsolete inventory	4 527 401	3 184 715

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2009 R	2008 R
10. DEBTORS		
Consumer debtors	66 681 955	58 512 539
Other debtors	1 290 917	2 152 771
Project accounts	3 758 681	1 714 314
Amounts paid in advance	-	-
	71 731 553	62 379 624
Less: Provision for bad debts	50 958 886	45 548 410
	20 772 667	16 831 214
Bad debts to the amount of R 5257637 were written off interms of the Council's Credit control policy.		
The Age analysis of Consumer debtors are as follow:		
Current	8 652 662	8 686 590
30 days	2 369 929	1 733 495
60 days	1 768 773	1 165 216
90 days	2 067 033	1 072 842
Older	50 640 156	45 141 037
11. DEFERRED CHARGES	-	-
12. PROVISIONS		
Backdated Remuneration	1 500 000	1 500 000
Landfill sites - rehabilitation	3 190 000	3 190 000
Leave pay	2 662 154	2 458 780
Performance bonuses	363 255	264 458
Redundant Stock	57 926	58 003
	7 773 335	7 471 241
13. CREDITORS		
Trade creditors	9 976 377	4 204 302
Other creditors	589 491	1 036 158
Deposits	95 273	104 425
Project Creditors	17 008 267	21 890 495
Amounts received in advance	1 269 811	684 299
	28 939 219	27 919 679

14. ASSESSMENT RATES

	Valuation as at 30 June 2009 R'000	2009 R *Actual income 2009 R'000*	2008 R *Actual income 2008 R'000*
Residential	453 768	9 917	8 513
Commercial	134 481	3 005	2 532
Industrial	154 047	3 445	3 009
Agricultural	645 579	4 112	3 859
State	86 226	1 314	1 175
Non Rate able (including Municipal property)	262 602	-	-
	1 736 703	21 793	19 088

Valuations on land and improvements are executed every four years, but due to the new property rates act it will only be completed and implemented in the 2009/2010 financial year.
The last general valuation came into effect on July 2002. The Council levy a differential tariff based on area and use. The tariffs are as follow:

All agricultural areas	0.68c/R
Ceres	2.36c/R
Op-die- Berg	0.82c/R
Prince Alfred's Hamlet	1.34c/R
Tulbagh	2.12c/R
Wolseley	1.95c/R

15. REMUNERATION

	2009 R	2008 R
Councilors		
Executive Mayor	432 691	430 574
Deputy Mayor	384 067	314 696
Speaker	387 201	350 370
Councilors allowances	1 067 887	962 436
Mayoral committee allowances	2 194 681	2 016 013
Medical contributions	34 695	27 881
Councilors pension contributions	478 815	449 732
	4 980 037	4 551 702
Officials		
Municipal Manager	489 203	869 892
Director: Community Services	526 834	588 018
Director: Corporate services	441 461	665 170
Director: Finance Services	560 053	641 942
Director: Technical Services	506 542	77 914

16. AUDITORS' REMUNERATION

External audit fees	1 057 812	700 061
	1 057 812	700 061

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2009 R	2008 R
17. FINANCE TRANSACTIONS		
Total external interest earned or paid		
- Interest earned	870 688	2 090 801
- Interest paid	10 577 952	10 484 155
Capital charges debited to operating account:		
Interest:		
- External	10 548 795	10 465 749
- Internal	-	-
Redemption:		
- External	10 096 056	10 120 652
- Internal	-	-
Deferred charges written off	-	-
	20 644 851	20 586 401
18. APPROPRIATIONS		
Appropriation account:		
Accumulated surplus at the beginning of the year	5 661 775	9 591 965
Operating (deficit) / surplus for the year	(947 895)	(2 959 177)
Appropriations for the year	(241 904)	(971 013)
Previous year adjustments	(241 904)	(971 013)
Accumulated (deficit) / surplus at the end of the year	4 471 976	5 661 775
Operating account:		
Capital expenditure	-	-
Contributions to:		
- Funds, reserves and provisions	11 467 393	17 082 101
- Other direct contributions to provisions	302 171	429 753
	11 769 564	17 511 854

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2009 R	2008 R
19. CASH GENERATED BY OPERATIONS		
(Deficit) / Surplus for the year	-947 895	-2 959 177
Adjustments in respect of:		
Previous years' operating transactions	-331 415	-971 013
Appropriations charged against income	11 769 564	17 511 854
Provisions and reserves	11 769 564	17 511 854
Other expenditure items		
Fixed assets	-	-
Capital charges:		
Interest paid:		
- to internal funds	-	-
- on external funds	10 548 795	10 465 749
Redemption:		
- of internal advances	-	-
- of external loans	10 096 056	10 120 652
Deferred charges written off	-	-
Interest paid: (operating account)	29 157	18 406
Investment income (operating account)	-870 688	-2 090 801
Non-operating income	3 771 782	-
Non-operating expenditure	-5 643 244	-1 099 793
Non-operating adjustments	89 511	
	28 422 112	30 995 877
20. (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / Decrease in inventory	-1 342 686	389 767
(Increase) / Decrease in debtors, long term debtors	-9 296 977	-11 308 922
Increase / (Decrease) in creditors, consumer deposits	1 091 794	2 704 784
	-9 547 869	-8 214 371
21. INCREASE / (DECREASE) IN LONG-TERM LOANS (EXTERNAL)		
Loans raised	18 097 488	132 608
Loans repaid	-10 069 984	-9 990 770
	8 027 504	-9 858 162

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2009 R	2008 R
22. INCREASE / (DECREASE) IN SHORT-TERM LOANS (EXTERNAL)		
Loans raised	-	-
Loans repaid	-	-
	-	-
23. (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS		
Investments realised	60 981 907	42 796 742
Investments made	65 083 319	44 337 370
	(4 101 412)	(1 540 628)
24. (INCREASE) / DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	(5 202 145)	(4 406 483)
Less: Cash balance at the end of the year	29 166	(5 202 145)
	(5 231 311)	795 662

25. RETIREMENT BENEFITS

Witzenberg Municipal Council contribute towards the following retirement benefit schemes, Cape Joint Pension, South African Local Authority, Cape Joint Retirement, National fund for Municipal workers (IMATU), Municipal Councilors pension fund and SAMWU National Provident Fund.

26. LIST OF MUNICIPAL ENTITIES UNDER THE SOLE OR SHARED CONTROL OF THE MUNICIPALITY

None

	2 009 R	2 008 R
27. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
27.1 Contributions to organised local government		
(SALGA & WECPRO)		
Opening balance	-	-
Council subscriptions	207 991	198 606
Amount paid - current year	207 991	198 606
Amount paid - previous years	-	-
Balance unpaid	-	-
27.2 Audit fees		
Opening balance	-	-
Current year audit fee	1 057 812	700 061
Amount paid - current year	1 057 812	700 061
Amount paid - previous years	-	-
Balance unpaid	-	-
27.3 Taxes		
27.3.1 VAT		
Opening balance	-723 595	146 899
Input receivables	14 495 676	11 622 651
Output receivables	15 634 767	13 920 715
Amount paid - current year	1 414 309	3 021 659
Amount paid/received - previous years	-723 595	146 899
Balance unpaid	**-275 218**	**-723 595**
(All VAT returns have been submitted)		
27.3.2 PAYE and UIF		
Opening balance	-	-
Current year payroll deductions and Council Contributions	5 068 138	5 673 776
Amount paid - current year	5 068 138	5 673 776
Amount paid - previous years	-	-
Balance unpaid	-	-
27.4 Levies		
27.4.1 Skills development		
Opening balance	-	-
Current year levy	491 404	431 293
Amount paid - current year	491 404	431 293
Amount paid - previous years	-	-
Balance unpaid	-	-
27.4.2 Water levies & research levy		
Opening balance	64 152	580 125
Current year levy	428 085	260 002
Amount paid - current year	428 085	195 850
Amount paid - previous years	64 152	580 125
Balance unpaid	-	**64 152**
(See note 29)		

	2009 R	2008 R
27. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Cont.)		
27.5 Pension and Medical Aid Deductions		
Opening balance	-	-
Current year payroll deductions and Council Contributions	14 665 704	13 408 000
Amount paid - current year	14 665 704	13 408 000
Amount paid - previous years	-	-
Balance unpaid	-	-

27.6 Councilor's arrear consumer accounts

The following Councilors had arrear accounts outstanding for more than 90 days as at:

30th June 2009		**Total**	**Outstanding less than 90 days**	**Outstanding 90 days and more**
		R	R	R
Swangaza	PX	5 115	4 807	308
Total		**5 115**	**4 807**	**308**

30th June 2008	**Total**	**Outstanding less than 90 days**	**Outstanding 90 days and more**
	R	R	R
None	-		
Total	-	-	-

27.7 Non-compliance with Chapter 11 of the Municipal Finance Management Act

None

27.8 Unauthorised, irregular, fruitless and wasteful expenditure disallowed

27.8.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure		
Opening balance	10 010 696	1 777 459
Unauthorised expenditure current year	-	8 233 237
Approved by Council or condoned	10 010 696	-
Transfer to receivebles for recovery	-	-
Unauthorised expenditure awaiting authorization	-	10 010 696

Incident	Steps taken
Overspending of Votes 2006/2007	Council condoned - Council resolution 5.1 of a special council meeting dated 13/11/2008, See TRIM reference 05/14/1/3/077/
Overspending of Votes 2007/2008	Council condoned - Council resolution 8.1.4 dated 29/01/2009, See TRIM reference 05/14/1/4/117/

	2009 R	2008 R
27.8.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	64 190	64 190
Fruitless and wasteful expenditure current year	-	-
Approved by Council or condoned	64 190	-
Transfer to receivebles for recovery	-	-
Fruitless and wasteful expenditure awaiting condonement	-	64 190

Incident	Steps taken
Interest due to late payment of VAT Sept '05	Council condoned - Council resolution 5.3 of a special council meeting dated 13/11/2008, See TRIM reference 05/14/1/3/078/
Interest due to late payment - R 12,290	
Incorrect payment of claim - R 17,132.50	

27.8.3 Irregular expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	130 743	-
Irregular expenditure current year	-	130 743
Approved by Council or condoned	130 743	-
Transfer to receivebles for recovery	-	-
Irregular expenditure awaiting condonement	-	130 743

Incident	Steps taken
SCM processes 2007/2008 - R 130,742.82	Council condoned - Council resolution 8.1.3 dated 29/01/2009, See TRIM reference 05/14/1/4/116/

27.9 Deviations in terms Supply Chain Policy		
Reconciliation of deviations in terms of Supply Chain Policy		
Opening balance	-	-
Deviations during the current year	9 327 119	-
Approved by Accounting Officer	9 327 119	-
Transfer to receivebles for recovery	-	-
Deviations awaiting condonement	-	-

Incident	Steps taken
Deviations for 2008/2009	Accounting Officer appoved all the deviations

	2009 R	2008 R

28 BANK, CASH AND OVERDRAFT BALANCES

The municipality has the following bank accounts:

28.1 Current Accounts

(a) Primary Bank Account

Institution: ABSA
Type of Account: Cheque
Account Number: 03-5000-0011

Cash book balance at beginning of year - overdrawn / (positive)	4 245 236	3 445 551
Cash book balance at end of year - overdrawn / (positive)	-17 131	4 245 236
Bank statement balance at beginning of year - (overdrawn) / positive	-2 479 573	-1 801 979
Bank statement balance at end of year - (overdrawn) / positive	4 108 606	-2 479 573

(b) Housing Account

Institution: ABSA
Type of Account: Cheque
Account Number: 3-5014-8523

Cash book balance at beginning of year - overdrawn / (positive)	968 944	967 887
Cash book balance at end of year - overdrawn / (positive)	-	968 944
Bank statement balance at beginning of year - (overdrawn) / positive	-968 944	-967 887
Bank statement balance at end of year - (overdrawn) / positive	-	-968 944

28.2 Petty Cash on Hand

Petty cash on hand	12 035	12 035

	2009 R	2008 R
28. BANK, CASH AND OVERDRAFT BALANCES (Cont.)		
28.3 Savings Accounts		
(a) Institution: ABSA		
Type of Account: 32 days Call		
Account Number: 90-6631-3406		
Cash book balance at beginning of year	-	20 576
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-20 576
Bank statement balance at end of year	-	-
(b) Institution: Nedbank		
Type of Account: Fixed deposit		
Account Number: 123 210 192 3		
Cash book balance at beginning of year	3 464 532	8 483 390
Cash book balance at end of year	-	3 464 532
Bank statement balance at beginning of year	-3 464 532	-8 483 390
Bank statement balance at end of year	-	-3 464 532
(c) Institution: ABSA		
Type of Account: Fixed deposit		
Account Number: 20-5650-6236		
Cash book balance at beginning of year	-	13 530
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-13 530
Bank statement balance at end of year	-	-
(d) Institution: Nedbank		
Type of Account: Fixed deposit		
Account Number: 03/7881032766/07		
Cash book balance at beginning of year	1 596 987	-
Cash book balance at end of year	0	1 596 987
Bank statement balance at beginning of year	-1 596 987	-
Bank statement balance at end of year	-0	-
(e) Institution: Nedbank		
Type of Account: 03/7881032766/09		
Account Number: Call		
Cash book balance at beginning of year	1 339 989	-
Cash book balance at end of year	-0	1 339 989
Bank statement balance at beginning of year	-1 339 989	-
Bank statement balance at end of year	0	-

	2009 R	2008 R
28. BANK, CASH AND OVERDRAFT BALANCES (Cont.)		
28.3 Savings Accounts (cont.)		
(f) Institution:Nedbank		
Type of Account: 03/7881032766/10		
Account Number: Call		
Cash book balance at beginning of year	1 593 946	-
Cash book balance at end of year	-0	1 593 946
Bank statement balance at beginning of year	-1 593 946	-
Bank statement balance at end of year	0	-
(g) Institution: Ned bank		
Type of Account: 32 days Call		
Account Number: 03/7881032766		
Cash book balance at beginning of year	-	1 383 890
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-1 383 890
Bank statement balance at end of year	-	-
(h) Institution: ABSA		
Type of Account: Call		
Account Number: 91-8448-3785		
Cash book balance at beginning of year	5 670 952	7 000 000
Cash book balance at end of year	-0	5 670 952
Bank statement balance at beginning of year	-5 670 952	-7 000 000
Bank statement balance at end of year	0	-5 670 952
(i) Institution: Standard bank		
Type of Account: Fixed deposit (12 months)		
Account Number: 88779831-001		
Cash book balance at beginning of year	-	10 000 000
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-10 000 000
Bank statement balance at end of year	-	-
(j) Institution: Nedbank		
Type of Account: Call		
Account Number:03/7881032766/11		
Cash book balance at beginning of year	4 731 871	-
Cash book balance at end of year	-0	4 731 871
Bank statement balance at beginning of year	-4 731 871	-
Bank statement balance at end of year	0	-4 731 871
(k) Institution: Standard bank		
Type of Account: Fixed deposit (12 months)		
Account Number: 88779831-002		
Cash book balance at beginning of year	10 043 737	-
Cash book balance at end of year	-	10 043 737
Bank statement balance at beginning of year	-10 043 737	-
Bank statement balance at end of year	-	-10 043 737

	2009 R	2008 R
28. BANK, CASH AND OVERDRAFT BALANCES (Cont.)		
28.3 Savings Accounts (cont.)		
(l) Institution: Nedbank		
Type of Account: Call		
Account Number: 03/7881032766/12		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	7 123 459	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-7 123 459	-
(m) Institution: ABSA		
Type of Account: Call		
Account Number: 9215104694		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	4 847 129	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-4 847 129	-
(n) Institution: Standard bank		
Type of Account: Call		
Account Number: 88779831-004		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	8 369 846	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-8 369 846	-
(o) Institution: Standard bank		
Type of Account: Call		
Account Number: 88779831-005		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	86 376	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-86 376	-
(p) Institution: Investec		
Type of Account: Fixed deposit		
Account Number: 1400-198879-450		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	3 020 787	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-3 020 787	-
(q) Institution: Investec		
Type of Account: Call		
Account Number: 1400-198879-500		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	1 003 435	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-1 003 435	-

	2009 R	2008 R
28. BANK, CASH AND OVERDRAFT BALANCES (Cont.)		
28.3 Savings Accounts (cont.)		
(r) Institution: Investec		
Type of Account: Call		
Account Number: 1400-198879-501		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	4 106 139	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-4 106 139	-
(s) Institution: First Rand Bank		
Type of Account: Call		
Account Number: 62192709164		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	3 986 255	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-3 986 255	-

	2009 R	2008 R
29. CONTINGENT LIABILITY		
Claims:		
- JJ Moses	60 800	80 000
- Ceres Auto	36 330	35 000
- Cliams as result of Employment related issues:		
* Cliamant - GP Bezuidenhout	518 821	
* Cliamant - JM Fortuin	300 000	0
	915 951	115 000

The Municipality is defending all the claims. The amounts indicated is Management's estimated financial exposure.

30. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	13 562 041	292 936
- Approved but not yet contracted for	71 242	80 000
	13 633 283	372 936
This expenditure will be financed from:		
- Internal sources	3 677 110	194 417
- External sources	9 956 173	178 519
	13 633 283	372 936

31. GUARANTEES		
Gurantees was issued in favour of:		
- Mr D & Mrs MM Adams	10 800	10 800
- Mr M & Mrs R Van Rooyen	16 000	16 000
- Dept of Minerals and Energy Affiars	9 000	9 000
	35 800	35 800

The two individual guarantees is suretyship for banking facilities (Housing Loans) and the Dept of Minerals and Energy Affairs is for mining activities. All above was issued prior to the implementation of the MFMA.

APPENDIX A

STATUTORY FUNDS, RESERVES AND TRUST FUNDS

	Balance at 30/06/2008	Contributions during the year	Interest on investments	Other income	Adjustments during the year	Operating expenditure during the year	Capital expenditure during the year	Balance at 30/06/2009
STATUTORY FUNDS								
Asset Financing	3 836 451	710 637	3 771 782				-	8 318 870
Housing Development Fund	3 274 569	-	-	-	(868)	385 530	-	2 888 171
	7 111 020	710 637	3 771 782	-	-868	385 530	-	11 207 041
RESERVES								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TRUST FUNDS								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
PROVISIONS								
Backdated renumeration	1 500 000	-	-	-	-	-	-	1 500 000
Bad debts	45 548 410	10 579 469	-	-	88 643	5 257 637	-	50 958 885
Landfill sites rehabilitation	3 190 000	-	-	-	-	-	-	3 190 000
Leave gratuity	2 458 780	203 374	-	-	-	-	-	2 662 154
Performance Bonuses	264 458	98 797	-	-	-	-	-	363 255
Redundant Stock	58 003	-	-	-	-	77	-	57 926
Impairment of Long-term debtors	2 850 407	-	-	-	-	-	-	2 850 407
	55 870 058	10 881 640	-	-	88 643	5 257 714	-	61 582 627

APPENDIX B
EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	Loan Number	Fix or Floating	Interest rates	Redeemable	Balance at 30 June 2008	Received during the year	Corrections made during the year	Redeemed or written off during the year	Balance at 30 June 2009
					R	R		R	R
Local registered stock (Refer to Notes 4)					-	-		-	-
Short-term loans					-	-		-	-
Annuity loans									-
ABSA	30-0814-4283	Fix	14.50%	25-Nov-11	511 092	-	4 807	120 779	395 120
ABSA	30-0969-8128	Fix	13.05%	14-Feb-13	217 869	-	8 061	32 990	192 940
ABSA	30-0969-8534	Fix	13.25%	14-Feb-10	580 696	-	13 707	271 135	323 268
ABSA	30-0969-8770	Fix	12.80%	14-Feb-13	31 389	-	1 138	4 780	27 747
ABSA	30-0969-8916	Fix	13.20%	14-Feb-10	73 961	-	1 739	34 543	41 157
ABSA	30-0969-9043	Fix	12.80%	14-Feb-13	516 943	-	18 734	78 718	456 959
ABSA	90-9200-8212	Floating	14.50%	30-Dec-10	32 372	-	-	11 486	20 886
ABSA	90-9200-8204	Floating	14.50%	30-Dec-15	69 684	-	-	5 175	64 509
ABSA	70-9200-8678	Floating	14.50%	30-Dec-10	23 841	-	-	8 459	15 382
ABSA	60-9200-8205	Floating	14.50%	30-Dec-10	44 289	-	-	15 717	28 572
ABSA	20-9201-0018	Floating	14.50%	30-Dec-10	44 289	-	-	15 717	28 572
ABSA	20-9200-9990	Floating	14.50%	30-Dec-15	119 159	-	-	8 849	110 310
ABSA	0-9205-8859	Floating	14.50%	30-Dec-15	32 735	-	-	2 431	30 304
NED BANK	123-210-192-3	Fix	18.49%	31-Oct-08	4 313 069	-	-	4 313 069	-
NED BANK	5032229 0001	Floating	11.50%	30-Nov-09	-	395 073	-	255 903	139 170
NED BANK	5032172 0001	Floating	11.50%	30-May-13	-	3 463 501	-	545 950	2 917 551
NED BANK	5032156 0001	Floating	11.50%	30-May-15	-	1 360 675	-	135 054	1 225 621
NED BANK	5032113 0001	Floating	11.50%	30-May-18	-	1 692 407	-	96 401	1 596 006
NED BANK	5032032 0001	Floating	11.50%	30-May-23	-	11 185 832	-	296 857	10 888 975
CERES GOLF CLUB	49	Fix	18.00%	30-Jun-18	35 180	-	6 457	1 701	39 936
DBSA	10478/102	Fix	12.00%	30-Sep-17	3 773 919	-	-31 811	273 425	3 468 683
DBSA	10525/104	Fix	12.00%	31-Mar-17	35 372 893	-	-48 408	1 341 789	33 982 696
DBSA	1118/101	Floating	13.00%	30-Sep-18	9 431 494	-	-	406 587	9 024 907
DBSA	10772/101	Fix	15.50%	30-Sep-18	2 129 900	-	-1	90 545	2 039 354
DBSA	102040/1	Fix	9.50%	30-Sep-21	331 587	-	-	12 911	318 676
DBSA	102040/2	Fix	9.49%	30-Sep-13	1 360 358	-	-	198 737	1 161 621
DBSA	102040/3	Fix	9.38%	31-Mar-11	391 732	-	-	118 807	272 925
DBSA	11469/101	Fix	13.41%	30-Jun-09	87 150	-	-	87 150	-
DBSA	11470/101	Fix	13.41%	30-Jun-09	113 409	-	-	113 409	-
DBSA	11471/101	Fix	13.41%	30-Jun-09	32 788	-	-	32 788	-
DBSA	11472/101	Fix	13.41%	30-Jun-09	18 878	-	-	18 878	-
DBSA	11474/101	Fix	17.45%	30-Jun-10	10 210	-	-	4 679	5 531
DBSA	11476/101	Fix	17.45%	30-Jun-10	618 777	-	-	283 568	335 209
DBSA	11477/101	Fix	17.45%	30-Jun-10	15 469	-	-	7 089	8 380
DBSA	11478/101	Fix	17.45%	30-Jun-10	6 188	-	-	2 836	3 352
DBSA	11479/101	Fix	17.45%	30-Jun-10	7 735	-	-	3 545	4 190
DBSA	11480/101	Fix	17.45%	30-Jun-10	20 728	-	1	9 500	11 229
DBSA	11481/101	Fix	17.45%	30-Jun-10	188 269	-	-	86 278	101 991
DBSA	11482/101	Fix	17.45%	30-Jun-10	6 188	-	-	2 836	3 352
DBSA	11483/101	Fix	17.45%	30-Jun-10	70 231	-	-	32 185	38 046
DBSA	11484/101	Fix	15.79%	31-Dec-11	149 276	-	-	34 900	114 376
DBSA	11485/101	Fix	15.79%	31-Dec-11	158 002	-	-	36 940	121 062
DBSA	11487/101	Fix	15.79%	31-Dec-11	717 441	-	-	167 734	549 707
DBSA	11488/101	Fix	15.79%	31-Dec-11	45 931	-	-	10 738	35 193
DBSA	11 490	Fix	15.79%	31-Dec-11	161 677	-	-	37 799	123 878
DBSA	11 491	Fix	15.79%	31-Dec-11	146 979	-	-	34 363	112 616
DBSA	11 492	Fix	15.79%	31-Dec-11	14 239	-	-	3 329	10 910
DBSA	12977/101	Fix	14.65%	31-Dec-12	5 539	-	-	946	4 593
DBSA	12978/101	Fix	14.35%	31-Dec-13	199 036	-	-	25 899	173 137
DBSA	12982/101	Fix	13.95%	30-Jun-09	8 512	-	-	8 512	-
DBSA	12986/101	Fix	13.95%	30-Jun-09	33 498	-	-	33 498	-
DBSA	12987/101	Fix	13.95%	30-Jun-09	8 628	-	-	8 628	-
DBSA	13160/101	Fix	11.25%	31-Dec-11	146 063	-	-	36 198	109 865
DBSA	13161/101	Fix	10.75%	31-Dec-14	21 432	-	-	2 427	19 005
DBSA	13164/101	Fix	15.25%	31-Dec-14	12 451	-	-	1 233	11 218
DBSA	100605/1	Floating	14.50%	30-Jun-23	3 270 024	-	-	218 001	3 052 016
(Refer to Note 4)					65 733 199	18 097 488	-25 576	10 044 401	73 760 703

APPENDIX C
ANALYSIS OF FIXED ASSETS

Expenditure 2008	Services	Budget 2009	Balance at 30/06/2008	Expenditure during year	Redeemed, transferred or written off	Balance at 30/06/2009
R		R	R	R	R	R
7 609 483	**RATE AND GENERAL SERVICES**	19 743 432	103 042 278	12 514 241	0	115 556 519
5 245 841	**Community services**	12 820 707	53 264 994	8 662 516	0	61 927 510
-	Property Rates	0	78 072	-	-	78 072
-	Administration	533 450	859 034	378 120	-	1 237 154
-	Building Regulation & Enforcement	0	17 117	-	-	17 117
-	Chief Executive's	30 000	-	18 373	-	18 373
-	Council Costs	0	246 325	-	-	246 325
75 011	Community Halls & Facilities	194 388	3 543 648	173 042	-	3 716 690
-	Control room	0	20 202	-	-	20 202
-	Disaster Management	12 000	-	8 279	-	8 279
485 955	Electricity: Street lighting	1 397 889	664 137	1 386 818	-	2 050 955
5 263	Environmental protection	15 000	85 332	10 018	-	95 350
-	Health services	0	1 426 488	-	-	1 426 488
-	Human Resources	0	32 676	-	-	32 676
280 553	Information Technology	202 000	1 000 779	197 315	-	1 198 094
6 074	Integrated Development planning	0	202 488	-	-	202 488
-	Licensing & Regulation	251 076	68 157	-	-	68 157
-	Local Economical Development	0	3 863 672	-	-	3 863 672
226 259	Parks	422 000	3 356 179	415 662	-	3 771 841
4 689	Public toilets	0	1 155 192	-	-	1 155 192
94 994	Property services: Administration	1 320 000	777 658	422 297	-	1 199 955
73 411	Property services: Maintenance	90 000	701 616	70 770	-	772 386
-	Municipal Manager	0	26 222	-	-	26 222
34 619	Mechanical workshop	20 000	1 025 827	3 510	-	1 029 337
583 877	Sport grounds	30 000	4 703 073	-	-	4 703 073
4 090	Social & Welfare services	202 000	34 737	44 996	-	79 733
-	Swimming pools	0	1 255 552	-	-	1 255 552
100 053	Storm water management	2 720 000	10 750 520	1 760 847	-	12 511 367
2 746 859	Roads	4 828 871	13 766 331	3 415 930	-	17 182 261
-	Town Secretary	120 000	9 479	99 699	-	109 178
-	Town Planning	0	3 450	-	-	3 450
189 376	Police & Traffic	57 500	1 540 184	37 680	-	1 577 864
334 758	Treasury	374 533	1 949 740	219 160	-	2 168 900
-	Vehicle Licensing & Testing	0	101 107	-	-	101 107
215 548	**Subsidised services**	417 858	3 755 314	270 931	0	4 026 245
41 022	Cemeteries	98 858	380 376	26 613	-	406 989
151 792	Fire protection	254 000	521 275	193 860	-	715 135
22 734	Library services	65 000	2 853 663	50 458	-	2 904 121
2 148 094	**Economic services**	6 504 867	46 021 970	3 580 794	0	49 602 764
-	Holiday Resort Klipriver Park	106 000	271 250	41 327	-	312 577
214 993	Holiday Resort Pine Forest	716 635	8 321 747	279 740	-	8 601 487
701 789	Solid Waste	1 090 000	3 414 335	243 860	-	3 658 195
1 231 312	Sewerage	4 592 232	34 014 638	3 015 867	-	37 030 505
24 319 558	**HOUSING SERVICES**	44 828 696	75 323 170	40 592 007	-	115 915 177
2 562 000	**TRADING SERVICES**	10 993 892	126 399 080	6 936 484	0	133 335 564
1 096 290	Electricity	3 944 665	51 443 502	3 005 014	-	54 448 516
1 465 710	Water	7 049 227	74 955 578	3 931 470	-	78 887 048
34 491 041	**TOTAL FIXED ASSETS**	75 566 020	304 764 528	60 042 732	0	364 807 260
	LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		233 369 355	62 277 029	0	295 646 384
	Loans redeemed and advances repaid		79 658 074	10 096 056		89 754 130
	Contributions from operating income		23 115 627	-		23 115 627
	Contributions from other resources		130 595 654	52 180 973		182 776 627
	NET FIXED ASSETS		71 395 173	-2 234 297	0	69 160 876

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2009

Actual 2008 R	INCOME	Actual 2009 R	Budget 2009 R
19 825 990	Grants and subsidies:	26 422 642	26 146 000
18 421 715	- National government	24 455 849	24 379 000
1 277 822	- Provincial government	1 723 229	1 767 000
126 453	- District Municipality	243 564	-
144 235 079	Operating income:	160 953 580	173 555 659
19 622 584	- Assessment rates	22 706 312	23 364 885
57 738 889	- Sale of electricity	70 956 823	76 415 907
23 431 943	- Sale of water	23 840 773	27 122 778
12 114 102	- Sewerage	14 184 745	14 220 807
14 572 473	- Refuse	16 163 136	16 481 175
16 755 088	- Other service charges	13 101 791	15 950 107
164 061 069	**Total income**	**187 376 222**	**199 701 659**

Actual 2008 R	EXPENDITURE	Actual 2009 R	Budget 2009 R
56 256 132	Salaries, wages and allowances	63 651 081	65 499 905
83 431 159	General expenses:	104 303 340	109 488 208
32 598 007	- Purchase of electricty	43 927 517	46 694 963
-	- Purchase of water	-	-
6 730 239	- Subsidies & Grants expenses	10 351 214	11 326 422
44 102 913	- Other general expenses	50 024 609	51 466 823
8 167 703	Repairs and maintenance	9 973 133	10 692 675
20 525 365	Capital charges	20 600 249	20 647 773
-	Contributions to fixed assets	-	-
17 082 101	Contributions	11 467 393	13 800 248
185 462 460	**Gross expenditure**	209 995 196	220 128 809
18 442 214	Less: Amounts charged out	21 671 077	21 557 605
167 020 246	**Net expenditure**	**188 324 119**	**198 571 204**

APPENDIX E
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual income	2008 Actual expenditure	2008 Surplus / (Deficit)		2009 Actual income	2009 Actual expenditure	2009 Surplus / (Deficit)	2009 Budget Surplus / (Deficit)
R	R	R		R	R	R	R
81 326 663	102 110 117	-20 783 454	**RATE AND GENERAL SERVICES**	91 795 999	112 616 976	-20 820 977	22 560 548
48 002 152	69 753 139	-21 750 987	**Community services**	55 393 572	75 731 492	-20 337 920	22 124 961
19 622 584	-	19 622 584	Assessment rates	22 706 312	-	22 706 312	-23 364 885
-	2 385 294	-2 385 294	Administration	200	3 140 925	-3 140 725	3 396 612
496 648	1 289 163	-792 515	Building Control & Regulation	-	1 445 358	-1 445 358	1 490 434
750 000	5 625 403	-4 875 403	Council's general expenses	427 011	1 350 768	-923 757	693 822
198 636	1 594 075	-1 395 439	Community halls & facilities	248 250	1 888 500	-1 640 250	1 687 536
-	508 624	-508 624	Control centre	-	520 683	-520 683	492 228
-	16 781	-16 781	Disaster management	889 000	6 741 532	-5 852 532	6 202 499
-	1 394 635	-1 394 635	Electricity: Streetlights	-	20 996	-20 996	86 079
-	336 742	-336 742	Environmental Protection	-	1 886 912	-1 886 912	1 796 991
-	1 875 647	-1 875 647	Executive Costs	-	239 143	-239 143	318 705
21 714	20 679	1 035	Health: Comprehensive	-	2 606 106	-2 606 106	2 536 449
			Health: Environment	-	-	-	-
-	3 473 670	-3 473 670	Human Resources	-	-	-	-
-	761 935	-761 935	Information technology	58 472	4 048 967	-3 990 495	3 567 976
-	1 114 034	-1 114 034	Integrated development planning	-	805 571	-805 571	842 251
59 299	9 897	49 402	Licensing & regulations	-	1 276 791	-1 276 791	1 456 383
-	457 412	-457 412	Local economical development	65 084	24 401	40 683	-29 611
10 176	2 538 982	-2 528 806	Parks	-	445 465	-445 465	442 551
-	702 212	-702 212	Public toilets	-	697 637	-697 637	1 090 374
2 192 189	3 404 767	-1 212 578	Property services: Administration	106 093	733 078	-626 985	806 216
-	402 300	-402 300	Property services: Maintenance	2 717	3 018 924	-3 016 207	2 938 520
-	1 060 974	-1 060 974	Municipal Manager	447 714	1 439 643	-991 929	1 000 433
201 809	681 245	-479 436	Municipal Workshop	-	584 380	-584 380	570 237
-	981 457	-981 457	Audit	-	758 432	-758 432	776 901
68 567	2 198 707	-2 130 140	Sport grounds	20 570 213	8 280 952	12 289 261	-11 140 078
16 119 444	5 542 005	10 577 439	Social & welfare services	71 925	2 429 569	-2 357 644	2 273 936
40 347	953 069	-912 722	Swimming Baths	-	2 261 704	-2 261 704	2 225 240
627	1 826 237	-1 825 610	Storm water management	897 140	5 997 458	-5 100 318	5 293 435
763 628	5 602 416	-4 838 788	Streets	44 144	1 037 609	-993 465	1 017 586
-	385 185	-385 185	Tourism	-	385 251	-385 251	403 658
374 119	679 540	-305 421	Town Planning	658 653	1 006 763	-348 110	386 063
-	845 061	-845 061	Town Secretary	-	935 192	-935 192	973 357
873 959	2 226 032	-1 352 073	Traffic	798 987	2 618 782	-1 819 795	475 116
3 751 313	17 701 062	-13 949 749	Treasury	4 979 971	15 652 789	-10 672 818	12 161 440
2 457 093	1 157 897	1 299 196	Vehicle licensing & testing	2 421 686	1 451 211	970 475	-743 493
488 519	4 970 636	-4 482 117	**Subsidized services**	650 429	5 738 632	-5 088 203	5 284 178
151 523	1 200 429	-1 048 906	Cemeteries	150 701	1 428 008	-1 277 307	1 241 823
6 933	839 622	-832 689	Fire protection	-987	1 034 373	-1 035 360	1 213 467
330 063	2 930 585	-2 600 522	Library	500 715	3 276 251	-2 775 536	2 828 888
32 835 992	27 386 342	5 449 650	**Economic services**	35 751 998	31 146 852	4 605 146	-4 848 591
810 710	1 140 509	-329 799	Holiday Resort Klipriver Park	677 023	1 175 646	-498 623	594 759
5 312 912	4 664 856	648 056	Holiday Resort Pine Forest	4 705 299	5 678 784	-973 485	44 272
14 572 473	5 102 647	9 469 826	Refuse removal	16 163 136	5 427 946	10 735 190	-10 921 194
-	5 158 741	-5 158 741	Refuse removal - Garden	-	5 534 284	-5 534 284	5 697 809
-	1 272 951	-1 272 951	Refuse removal - Dumping site	-	2 162 930	-2 162 930	2 193 883
12 139 897	10 046 638	2 093 259	Sewerage	14 206 540	11 167 262	3 039 278	-2 458 120
1 503 592	1 463 732	39 860	**HOUSING SERVICES**	731 028	1 437 896	-706 868	1 051 792
81 230 814	63 446 397	17 784 417	**TRADING SERVICES**	94 849 196	74 269 246	20 579 950	-24 742 795
57 792 944	42 344 206	15 448 738	Electricity: Distribution	71 008 425	55 056 606	15 951 819	-17 894 367
-	99 693	-99 693	Electricity: Generating	-	121 169	-121 169	115 723
23 437 870	21 002 498	2 435 372	Water	23 840 771	19 091 471	4 749 300	-6 964 151
164 061 069	167 020 246	-2 959 177	**TOTAL**	187 376 223	188 324 118	-947 895	-1 130 455
		-971 013	Appropriations for the year (refer to note 18)			-241 904	
		-3 930 190	Net surplus / (deficit) for the year			-1 189 799	
		9 591 965	Accumulated surplus / (deficit): Beginning of the year			5 661 775	
		5 661 775	**ACCUMULATED SURPLUS / (DEFICIT) END OF THE YEAR**			4 471 976	

APPENDIX F
STATISTICAL INFORMATION

		2009	2008	2007
(a)	**General Statistics**			
(i)	Population	89 316	88 784	88 254
(ii)	Valuation of taxable property	1 485 752 220	1 442 435 450	1 418 301 630
	Valuation of non rate able property	262 601 965	260 598 500	259 236 570
	The date of last valuation	1-Jul-02	1-Jul-02	1-Jul-02
(iii)	Valuation of residential and commercial property	588 249 300	574 236 715	563 718 685
(iv)	Assessment rates: Cent in the Rand			
	All agricultural areas	0.68c/R	0.60c/R	0.57c/R
	Ceres - Residential	2.36c/R	2.07c/R	1.95c/R
	Ceres - Other	2.36c/R	2.07c/R	1.95c/R
	Prince Alfred's Hamlet	0.82c/R	0.71c/R	1.08c/R
	Op-die- Berg	1.34c/R	1.16c/R	0.66c/R
	Wolseley	2.12c/R	1.84c/R	1.57c/R
	Tulbagh	1.95c/R	1.69c/R	1.71c/R
(v)	Number of employees of the local authority	525	492	497
(b)	**Electricity Statistics**			
(i)	Units bought/generated	179 070 108	173 262 007	167 657 389
(ii)	Units sold	157 268 174	157 637 325	150 834 265
(iii)	Units lost in distribution (i - ii)	21 801 935	15 624 681	16 823 124
(iv)	Units lost in distribution, as a % of (i)	12.18%	9.02%	10.03%
(v)	Cost per unit bought/generated	R 0.3081	R 0.2450	R 0.2870
(vi)	Loss in distribution (iii x v)	R 6 717 176.06	R 3 828 046.92	R 4 828 236.59
(vii)	Cost per unit sold (operating expenditure ÷ ii)	R 0.3509	R 0.2693	R 0.3190
(viii)	Income per unit sold (operating income ÷ ii)	R 0.4515	R 0.3666	R 0.3832
(c)	**Water Statistics**			
(i)	Units distributed	6 234 396	5 984 066	Not Available
(ii)	Units sold	4 003 133	4 429 186	3 798 245
(iii)	Units lost in distribution (i - ii)	2 231 263	1 554 880	Not Available
(iv)	Units lost in distribution, as a % of (i)	35.79%	25.98%	Not Available
(v)	Cost per unit bought/generated	R 1.70	R 2.35	Not Available
(vi)	Loss in distribution (iii x v)	R 3 783 184.94	R 3 647 165.21	Not Available
(vii)	Cost per unit sold (operating expenditure ÷ ii)	R 4.77	R 4.74	R 6.93
(viii)	Income per unit sold (operating income ÷ ii)	R 5.96	R 5.29	R 6.17

(A water infrastructure project has commenced in 2006/2007, called unaccounted water. This project includes the replacement of all default bulk water meters of the Witzenberg area. 2009 is the first full financial year where the distributed kiloliters could be accurately measured)

(d)	**Sundry Statistics**			
(i)	Area in sq. kilometres	2866.6	2866.6	2866.6

APPENDIX G

INTERGOVERNMENTAL AND OTHER ALLOCATIONS

IN TERMS SECTION 123 OF THE MFMA, 56 OF 2003

Organ of State or Municipality	Grant	Balance 01/07/2008	Interest earned 2008/2009	Receipts 2008/2009	Expenses 2008/2009	Transfers 2008/2009	Balance 30/06/2009	Grants and Subsidies delayed / withheld Yes / No	Compliance with grant conditions in terms of grant framework Yes / No
		R	R	R	R	R	R		
National Government									
Dept of Provincial and Local Government	Equitable share	155 083	-	23 249 213	22 957 316	-446 980	-	No	Yes
Dept of Provincial and Local Government	Transformation funds	1 352 759	-	-	223 094	-	1 129 664	No	Yes
Dept of Provincial and Local Government	Restructuring Grant	61 929	-	-61 929	-	-	-	No	Yes
Dept of Provincial and Local Government	Municipal Systems Improvement Grant	637 847	-	735 088	790 333	-	582 602	No	Yes
Dept of Provincial and Local Government	CMIP & MIG	1 414 539	-	6 639 828	8 231 611	-	-177 244	No	Yes
Dept of Public works	INEP	277 478	-	-	815 195	-	-537 717	No	Yes
Dept of Water Affairs and Forestry	Land reforms	412 168	-	-	207	-	411 961	No	Yes
National Treasury	DWAF Projects	7 391 513	-	601 165	625 080	-	7 367 597	No	Yes
Provincial Government	Local Government Finance Management Grant	-	-	1 250 351	1 250 351	-	-	No	Yes
Dept Cultural Affairs and Sport	Development of Sport and Recreational Facilities	13 744	-	-	13 744	-	-	No	Yes
Dept Cultural Affairs and Sport	Library Subsidies	-	-	474 964	474 964	-	-	No	Yes
Dept Cultural Affairs and Sport	Library Subsidies (Capital)	8 256	-	-	6 274	-	1 982	No	Yes
Dept of Provincial and Local Government	CDW's	-	-	216 000	66 000	-	150 000	No	Yes
Dept of Local Government and Housing	IHHSDG & UISP	2 569 761	-	36 738 049	40 585 950	-	-1 278 139	No	Yes
Dept of Transport and Public Works	Public Transport facilities	503 688	-	-	93 322	-	410 366	No	Yes
Dept of Transport and Public Works	Main road subsidy	-	-	897 140	897 140	-	-	No	Yes
Dept Social Services and Poverty Alleviation	Local Economical Development	123 305	-	-	-	-	123 305	No	Yes
Dept Social Services and Poverty Alleviation	Multi Purpose Centers	5 286 542	-	-	70 445	-	5 216 097	No	Yes
Dept. Environmental Affairs and Development Planning	Western Cape Clean-up operation	-	-	-	-	-	-	No	Yes
Dept. Environmental Affairs and Development Planning	Spatial planning	388 254	-	-	283 301	-	104 953	No	Yes
District Municipality									
Cape Winelands District Municipality	PIMM Support	8 251	-	-	-	-	8 251	No	Yes
Cape Winelands District Municipality	CWDM projects	746 189	-	395 368	114 691	-	1 026 866	No	Yes
	Total	**21 351 306**	**0**	**71 135 237**	**77 499 018**	**-446 980**	**14 540 544**		

Note: The expenditure on the Equitable Share allocations are included to the same amount as the amount received

WITZENBERG
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Reference/Verwysing/iRef: 5/3/1/
Enquiries/Navrae/Imibuzo: H L le Roux

31 August 2009

Auditor-General
Private Bag X96
BELLVILLE
7535

ATT: D A VAN HUYSSTEEN
FAX.: 021-5284201

Dear Sir

SUBMISSION OF FINANCIAL STATEMENTS – 30 JUNE 2009

The **2009** Financial Statements of Witzenberg Municipality were delivered by hand to the Auditor-General officials at our offices in Worcester and for which acknowledgement of receipt has been obtained as indicated below. The Municipality does not have any municipal entity.

It is therefore to be noted that no financial statements are outstanding in terms of section 126(1) and (2) of the MFMA.

We trust that you will find the above in order.

Yours faithfully

D Wasson
MUNICIPAL MANAGER

ACKNOWLEDGEMENT:

I, the undersigned acknowledge hereby the receipt of four original signed hardcopies of the Financial Statements of Witzenberg Municipality as at 30 June 2009.

....
Name Date

.....
Signature (received on behalf of the Auditor-general)